

LAW OFFICES OF

DECHERT PRICE & RHOADS

888 17th STREET, N. W.
WASHINGTON, D. C. 20006
TELEX 84 5324 • BARDEP

(202) 872-8600

RECORDATION NO. 10815-F
JAN 18 1982 12:45 PM
INTERSTATE COMMERCE COMMISSION

ELEVEN BROADWAY
NEW YORK, N. Y. 10004
(212) 425-3510

ONE DENVER PLACE
SUITE 1601
999 18TH STREET
DENVER, CO. 80202
(303) 623-1777

3400 CENTRE SQUARE WEST
1500 MARKET STREET
PHILADELPHIA, PA. 19102
(215) 972-3400

38 SQUARE DE MEEUS, BTE 1
1040 BRUSSELS, BELGIUM
(021) 511 80 40

52 BEDFORD SQUARE
LONDON WC1B 3EX, ENGLAND
(01) 631 3383

800 NORTH THIRD STREET
HARRISBURG, PA. 17102
(717) 233-7947

January 18, 1982

2-013A053

Agatha L. Merganovich, Secretary
Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Washington, DC 20423

NO. JAN 18 1982
Date
Fee \$ 10.00
Off
ICC, Washington, D. C.

Dear Secretary Merganovich:

Pursuant to 49 U.S.C. § 11303 and the Commission's rules and regulations, I enclose for filing and recordation two originals and two copies of the following document:

Loan Termination Agreement dated December 31, 1981, by and between Girard Bank and Balard Leasing Corporation.

This document relates to boxcars subject to a Security Agreement by and between Balard Leasing Corporation and Girard Bank dated September 14, 1979, filed with the Commission September 14, 1979 at 2:00 p.m. and assigned Recordation Number 10815-A.

The names and addresses of the parties to the aforementioned document to be filed are:

(a) Assignor/Debtor:

Balard Leasing Corporation
3 Radnor Corporate Center
100 Matsonford Rd.
Radnor, PA 19087

(b) Assignee/Lender:

Girard Bank
One Girard Plaza
Philadelphia, PA 19101

Charter Report - 15 copies to E. Williams

Vertical stamp: JAN 18 1982

Agatha L. Merganovich, Secretary
January 18, 1982
Page Two

The Loan Termination Agreement relates to
the ninety-nine (99) 50'6" 70-Ton XM Boxcars which are
listed below:

Road Numbers

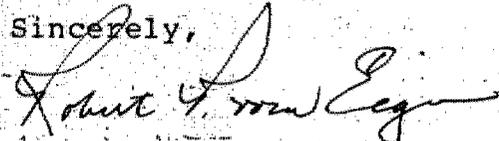
NSL 151644
MISS 151546
NSL 151547
NSL 151551 through NSL 151556
NSL 151558
NSL 151606 through NSL 151608
MISS 151609
NSL 151610 through NSL 151612
MISS 151613
NSL 151614
MISS 151615
NSL 151544
NSL 151549 through NSL 151550
NSL 151557
NSL 151559 through NSL 151560
MISS 151591 through MISS 151593
NSL 151594 through NSL 151605
NSL 151616 through NSL 151620
PT 206040
PT 206043 through PT 206048
PT 206056 through PT 206066
NSL 151485 through NSL 151487
MISS 151488
NSL 151489 through NSL 151490
MISS 151491 through MISS 151492
NSL 151493 through NSL 151494
MISS 151495
NSL 151496 through NSL 151498
MISS 151499
NSL 151500
NSL 151502
MISS 151503
NSL 151504 through NSL 151507
MISS 151508
NSL 151509
NSL 151514 through NSL 151518
NSL 151521
MISS 151522
NSL 151524
NSL 151625
MISS 151626 through MISS 151627

Agatha L. Merganovich, Secretary
January 18, 1982
Page Three

Please file the Loan Termination Agreement, cross-indexing it under the names of the Assignee, Assignor, Lender and Debtor. A check is enclosed for \$10.00 as prescribed pursuant to 49 C.F.R. § 1116.3(d).

Please stamp all copies of the Loan Termination Agreement and the attached copies of the transmittal letter with your official recording stamp. You will wish to retain one original and one copy of each document and the original of the transmittal letter for your file. Please return the duplicate original and the remaining copies of the Loan Termination Agreement and the transmittal letter to the bearer of this letter.

Sincerely,


Robert P. vom Eigen

RPvE:sik
Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

January 18, 1982

Robert P. vom Eigen
Law Offices
Dechert Price & Rhoads
888 17th St. N. W.
Washington, D. C.

Dear Sir:

The enclosed document (s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 1/18/82 at 12:45PM, and assigned re-recording number (s). 10815-E, 10815-F, 10815-G, 10815-H, & 10815-I

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure (s)

RECORDATION NO. 10815-B
FIND 1085

JAN 18 1982 12 45 PM

INTERSTATE COMMERCE COMMISSION

LOAN TERMINATION AGREEMENT

This LOAN TERMINATION AGREEMENT, dated as of December 31, 1981, is by and between GIRARD BANK, a Pennsylvania banking corporation with offices at One Girard Plaza, Philadelphia, Pennsylvania 19101 ("Girard") and BALARD LEASING CORPORATION, a Pennsylvania corporation with its principal place of business at Suite 400, Three Radnor Corporate Center, 100 Matsonford Road, Radnor, Pennsylvania, 19087 ("BLC").

BACKGROUND

A. BLC is the owner of certain railroad boxcars, more fully described on Exhibit "A" hereto (the "Boxcars") pursuant to a Purchase Agreement between BLC and National Railway Utilitization Corporation ("NRUC") dated September 14, 1979 (the "Purchase Agreement"). The purchase of the Boxcars was financed in part by a loan from Girard evidenced by the execution by BLC of a non-recourse note to Girard dated September 14, 1979 in the principal amount of \$3,432,000 (the "Note").

B. BLC entered into a Management Agreement with NRUC dated as of September 7, 1979 (the "Management Agreement") and an Optional Maintenance Agreement dated as of September 7, 1979 which was incorporated therein (the "Maintenance Agreement") whereby BLC agreed to retain the services of

NRUC as its agent for managing the Boxcars. BLC executed an Assignment of Management Agreement dated as of September 7, 1979 (the "Assignment") assigning all of its right, title and interest (but not its obligations) in the Management Agreement to Girard.

C. In order to secure payment of the Note, BLC entered into a Security Agreement with Girard dated as of September 14, 1979 (the "Security Agreement") whereby Girard was granted a security interest in the Boxcars, the Management Agreement and the rights and interest (but not the obligations) of BLC under the Purchase Agreement.

D. BLC is unable to make the required payments under the Note and is presently in default thereunder. BLC and Girard have attempted to negotiate in good faith a reduction in the payments required and/or the amount of the Loan and the interest rate thereon in the interest of BLC retaining ownership of the Boxcars. Additionally, Girard understands that BLC has made other efforts to place the Boxcars in revenue-generating service, including making incentive compensation arrangements for that purpose. All efforts to date have been unsuccessful. BLC and Girard agree that it is in their mutual best interest to avoid a judicial foreclosure and, therefore, BLC is willing to

convey all of its right, title and interest in and to the Boxcars to Girard under the terms and conditions set forth herein.

E. Girard has identified a purchaser who is willing to pay a price for the Boxcars which is the highest price that Girard has been offered, and to its knowledge, during current market conditions no Boxcars of this age and condition have been offered at a higher price. Said price, although below the sums due on the Note, BLC believes is above the current fair market value of the Boxcars. Since BLC is not willing to make a payment on the Note in the amount of the purchaser's offer, it agrees to cooperate with Girard in closing the sale to Girard's identified purchaser without delay. However, if such sale is not consummated at the price offered to Girard, BLC wishes to have the option, under certain circumstances, and pursuant to the terms and conditions set forth herein, of meeting such lesser price as may be offered by the identified purchaser or any other offeror.

TERMS

NOW, THEREFORE, in consideration of the premises set forth above and the respective agreements set forth

herein, the parties hereto, intending to be legally bound, agree as follows:

1. Condition of Girard's and BLC's Obligations Hereunder. The delivery of all documents contemplated hereby is subject to the consummation of the sale of the Boxcars by Girard. All documents required hereunder shall be delivered to Girard's counsel, Dechert Price & Rhoads, 3400 Centre Square West, 1500 Market Street, Philadelphia, PA 19102, to be held in escrow pending the closing of such sale. At such closing, all required documents shall be delivered and dated as of the date thereof.

2. Conveyance of Boxcars. BLC shall convey the Boxcars to Girard on an "AS IS, WHERE IS" basis by executing a Bill of Sale, undated, in the form attached hereto as Exhibit "B". Delivery of the Bill of Sale shall be in accordance with Paragraph 1 hereof.

3. Representations and Warranties of BLC. BLC hereby warrants, represents and covenants that:

(a) BLC is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania.

(b) The transactions contemplated hereby have been duly authorized and approved by requisite corporate action.

(c) In the event that any or all of the transactions contemplated hereby shall have the effect of rendering the provisions of the Bulk Sales Act applicable thereto (and BLC shall make such determination and notify Girard thereof on or before the date hereof), then BLC shall fully and promptly comply with all such requirements.

(d) BLC has good title to the Boxcars, and, to the best of its knowledge, the Boxcars are free and clear of all claims, liens and encumbrances of any kind or nature whatsoever, except for such claims, if any, arising from the use, possession, storage and maintenance of the Boxcars under the Maintenance Agreement and the Management Agreement, and the security interest of LFC.

(e) BLC represents and warrants that the security interest of LFC will be terminated upon the sale of the Boxcars.

(f) To the best of BLC'S knowledge, the Boxcars are in compliance with all laws, rules and regulations of any governmental authority exercising any power or jurisdiction with respect to the Boxcars and no notices have been received and no claims have been filed or are pending with respect thereto.

(g) BLC has no knowledge of any obligations outstanding under the Management Agreement or any other agreements between BLC and NRUC which may result in any obligation or liability on the part of Girard, except as provided in the Management Agreement and Maintenance Agreement with respect to accrued fees and expenses, to the extent that Girard is the successor to BLC under such agreements.

(h) To the best of BLC's knowledge, there are no existing claims arising in connection with the Boxcars except those which have been identified to Girard by BLC on or before the date hereof.

4. Release of BLC. Subject to execution and delivery of the Bill of Sale as provided in paragraph 2 hereof, and the terms of this Agreement, Girard shall release BLC, its successors and assigns, from all obligations and liabilities arising under the Note and the Security Agreement as of the date of the Bill of Sale by executing the form of Release attached hereto as Exhibit "C".

5. Assignment and Assumption of Agreements. Subject to the conditions of Paragraph 1 hereof, BLC hereby assigns all of its right, title and interest in and to the Purchase Agreement, the Management Agreement, and the Maintenance Agreement to Girard and acknowledges that Girard

is exercising its rights under the Management Agreement, the Maintenance Agreement and the Assignment as BLC's successor and Girard hereby assumes all of BLC's obligations under the Purchase Agreement, the Management Agreement and the Maintenance Agreement arising as of the date of delivery hereof.

6. Assignment of Claims. BLC hereby assigns to Girard any and all claims that BLC may have against NRUC, now or arising in the future, with respect to the Boxcars or any other matter arising from, under or in connection with the Purchase Agreement, the Maintenance Agreement and the Management Agreement, including claims for release of amounts held by NRUC in the "separate account" as defined in paragraph 5(b) of the Maintenance Agreement, except to the extent of such claims which may be asserted as a defense or counterclaim by BLC against claims by NRUC.

7. Indemnification. BLC hereby agrees to indemnify Girard against any claim or liability which may be asserted against Girard in connection with the failure of BLC to fulfill its obligations under the Purchase Agreement, the Management Agreement, the Maintenance Agreement or any other agreement between BLC and NRUC with respect to the Boxcars, except with respect to any fees or other expenses due to NRUC

under the Management Agreement and Maintenance Agreement to the extent Girard is successor to BLC under such agreements.

8. Records. Contemporaneously with its execution of this Agreement, BLC shall make available to Girard all books, records, certificates and any other documents or papers relating to the Boxcars. If notified by Girard to do so, BLC shall make copies of any of the foregoing and deliver them to Girard.

9. Additional Documents. BLC shall cooperate in promptly and duly executing any documents which may be required to be filed with any governmental authority in connection with this transaction.

10. BLC'S Right of First Refusal. In the event that the sale of the Boxcars by Girard is not consummated at or above a price of \$20,000 for each Boxcar or such other price above or below \$20,000 per Boxcar (the \$20,000 price or such other price hereinafter referred to as the "Lesser Price") as BLC shall notify Girard, such notification to be in writing and not more frequently than monthly commencing on February 1, 1982 (which Lesser Price shall be related to then current market conditions for the Boxcars), then BLC shall have the right to satisfy the Note by making a payment thereon according to the following terms:

(a) if, at a closing, a third party purchaser offers to purchase the Boxcars below the Lesser Price, then Girard shall notify BLC within one business day of Girard's receipt of such offer, and BLC shall have one business day from the time of such notification to respond to such offer, and, if accepted, to make immediate cash payment in the amount of the offer.

(b) if a third party purchaser, other than at a closing, offers to purchase the Boxcars below the Lesser Price, then Girard shall notify BLC of the terms of such offer within two business days and BLC shall have two business days within which to respond in writing. If BLC desires to make a payment on account of the Note in the amount of the offer, it must agree in writing to do so on the same terms and conditions as contained in the third party offer.

(c) if a third party purchaser offers to purchase the Boxcars at or above the Lesser Price, Girard may, at its sole option, offer the Boxcars to BLC at the same price contained in such third party offer. If such offer is made by the third party purchaser at a closing, the notification to BLC, response of BLC thereto, and terms of payment shall be as described in paragraph 10(a) hereof. If such offer is made by the third party purchaser at other than a

closing, the notification to BLC, response of BLC thereto, and terms of payment shall be as described in paragraph 10(b) hereof.

(d) Each notification of an offer by Girard shall be in writing and accompanied by a representation of Girard that such writing fully states the transactions contemplated between Girard and the third party purchaser.

(e) In the event BLC exercises its option, upon payment against the Note in the amount of the offer, Girard shall execute and deliver a release of BLC from its obligations under the Note and Security Agreement in a form attached hereto as Exhibit "C".

11. Insurance. BLC hereby assigns all its rights under the insurance policies required by the Management Agreement and otherwise relating to the Boxcars to Girard. BLC shall deliver copies of such certificates of insurance in its possession to Girard contemporaneously with the execution of this Agreement.

12. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or

unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

13. Successors and Assigns. This Agreement will bind and inure to the benefit of the respective successors and assigns of the parties hereto.

14. Applicable Law. This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania.

15. Notices. All notices hereunder shall be in writing and deemed effective upon receipt by the party to whom directed. Notices may be delivered by telegram, telex, United States mail or by hand delivery as follows:

If to Girard:

Girard Bank
13th Floor
Four Girard Plaza
Philadelphia, PA 19101

Attention: Mr. Joseph P. Leska
Vice President

If to BLC:

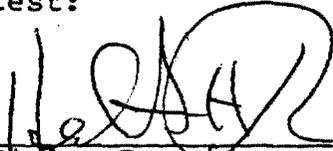
Balard Leasing Corporation
c/o Lease Finance Corporation
Suite 400
Three Radnor Corporate Center
100 Matsonford Road
Radnor, PA 19087

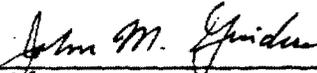
Attention: Mr. Richard Caruso
Vice President

IN WITNESS WHEREOF, the parties hereto have executed
this Agreement as of the date first above written.

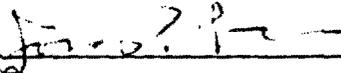
Attest:

BALARD LEASING CORPORATION

By 
Title Secretary

By 
Title Vice President

GIRARD BANK

By 
Title VICE PRESIDENT

Commonwealth of Pennsylvania. }
County of Allegheny } SS.

On this, the day of 19....., before me
Doris C. Berger, the undersigned officer, personally
appeared John F. Guidera known to me, or satisfactorily proven, to
Vice President Belard Leung Corporation
be the person whose name he subscribed to the within instrument, and acknowledged that
he executed the same for the purposes therein contained.

In Witness Whereof, I hereunto set my hand and official seal.

[SEAL]

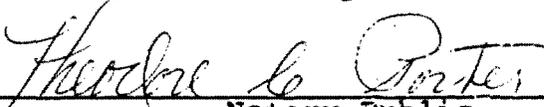
Doris C. Berger
NOTARY PUBLIC
DORIS C. BERGER, Notary Public
Radnor Twp., Delaware Co.
My Commission Expires May 31, 1982

STATE OF PENNSYLVANIA :

COUNTY OF PHILADELPHIA:

On this 14th day of January, 1982, before me personally appeared Joseph P. Leska, who being by me duly sworn, says that he is Vice President of GIRARD BANK, that the seal affixed to the foregoing instrument is the corporate seal of said banking corporation; that said instrument was signed and sealed on behalf of said banking corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said banking corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal.



Notary Public

My commission expires:

THEODORE C. PORTER
Notary Public, Phila., Phila. Co.
My Commission Expires August 29, 1983

EXHIBIT "A"

<u>Class Size and Type</u>	<u>Manufacturer</u>	<u>No. of Cars</u>	<u>Road Numbers</u>
50'6" 70 Ton XM Boxcars	NRUC Car Shops	1	NSL 151644
		1	MISS 151546
		1	NSL 151547
		6	NSL 151551 through NSL 151556
		1	NSL 151558
		3	NSL 151606 through NSL 151608
		1	MISS 151609
		3	NSL 151610 through NSL 151612
		1	MISS 151613
		1	NSL 151614
		1	MISS 151615
		1	NSL 151544
		2	NSL 151549 through NSL 151550
		1	NSL 151557
		2	NSL 151559 through NSL 151560
		3	MISS 151591 through MISS 151593
		12	NSL 151594 through NSL 151605
		5	NSL 151616 through NSL 151620
		1	PT 206040
		6	PT 206043 through PT 206048
		11	PT 206056 through PT 206066
		3	NSL 151485 through NSL 151487
		1	MISS 151488
		2	NSL 151489 through NSL 151490
		2	MISS 151491 through MISS 151492
		2	NSL 151493 through NSL 151494
		1	MISS 151495
		3	NSL 151496 through NSL 151498
		1	MISS 151499
		1	NSL 151500
		1	NSL 151502
		1	MISS 151503
4	NSL 151504 through NSL 151507		
1	MISS 151508		
1	NSL 151509		
5	NSL 151514 through NSL 151518		
1	NSL 151521		
1	MISS 151522		
1	NSL 151524		
1	NSL 151625		
2	MISS 151626 through MISS 151627		
	<u>TOTAL</u>	<u>99</u>	

Exhibit "B"

BILL OF SALE

Date: _____

KNOW ALL MEN BY THESE PRESENTS:

In consideration of the sum of \$1.00 and other good and valuable consideration, receipt of which is hereby acknowledged, BALARD LEASING CORPORATION, a Pennsylvania Corporation ("BLC") does hereby sell, transfer and assign to GIRARD BANK, a Pennsylvania banking corporation ("Girard"), its successors and assigns, all its right, title and interest in and to the railroad boxcars (the "Boxcars") described on the Schedule attached hereto as Exhibit "A", "AS IS, WHERE IS."

BLC hereby warrants to Girard, its successors and assigns, that, as of the date hereof, BLC has good and lawful title to the Boxcars, that, to the best of BLC's knowledge, the Boxcars are free and clear of all claims, liens and encumbrances of any nature whatsoever except for such claims if any, arising from the use, possession, storage and maintenance of the Boxcars under the Maintenance Agreement and the Management Agreement.

IN WITNESS WHEREOF, Ballard Leasing Corporation has
executed this Bill of Sale on the date first above written.

Attest:

BALLARD LEASING CORPORATION

By _____
Title

By _____
Title

Exhibit "C"

RELEASE

Date: _____

WHEREAS, GIRARD BANK, a Pennsylvania banking corporation ("Girard") is the holder of a non-recourse Note (the "Note") dated September 14, 1979 executed by BALARD LEASING CORPORATION, a Pennsylvania corporation ("BLC") to finance the purchase of certain boxcars (the "Boxcars"); and

WHEREAS, Girard and BLC have entered into a Loan Termination Agreement (the "Agreement") dated as of December __, 1981 for the conveyance of the Boxcars to Girard and the assignment of a certain Management Agreement, Purchase Agreement and Optional Maintenance Agreement between BLC and National Railway Utilization Corporation (collectively, the "NRUC Agreements") to Girard upon the terms and conditions set forth therein.

NOW, THEREFORE, in consideration of the conveyance of the Boxcars and the assignment of the NRUC Agreements to Girard, Girard hereby releases BLC from any and all obligations and liabilities with respect to the Note and Security Agreement arising under the Note and Security Agreement on or after the date hereof.

IN WITNESS WHEREOF, the undersigned has executed
this Release as of the date first above written.

GIRARD BANK

By _____
Title:

AFFIDAVIT

Commonwealth of Pennsylvania :
County of Philadelphia : SS.

The undersigned, a Notary Public in and for the aforesaid State and County, hereby certifies that the foregoing Loan Termination Agreement has been compared with the original and is a true and correct copy.

Barbara L. Jarnon
Notary Public

My commission expires:

[Notarial Seal]

Dated: 1/15/82

BARBARA L. JARNON
Notary Public, Phila., Penn. Co.
My Commission Expires June 16, 1984